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PRESS RELEASE

FOR IMMEDIATE RELEASE

Wednesday, July 13, 2011

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Former Employee Sentenced to 18 Months in Prison For Stealing Over \$200,000 From The Federal Trade Commission - Supply Clerk Made Unauthorized Purchases of Laptops, Televisions, Other Items -

WASHINGTON - Harold Hughes, a former employee of the Federal Trade Commission, was sentenced today to 18 months in prison on a federal charge stemming from his theft of \$218,636 from the Commission.

The sentencing, which took place in the U.S. District Court for the District of Columbia, was announced by U.S. Attorney Ronald C. Machen Jr., Inspector General of the Federal Trade Commission John M. Seeba, and L. Eric Patterson, Director of the Federal Protective Service.

Hughes, 58, of Arlington, Virginia, pled guilty in April 2011 to one count of theft of government money. He was sentenced by the Honorable Richard J. Leon. As part of the plea agreement, Hughes agreed to pay full restitution to the government. He also agreed to an order of forfeiture. Upon completion of his prison term, Hughes will be placed on three years of supervised release.

According to a statement of offense agreed to by the government and Hughes, Hughes was employed as a supply clerk with the Federal Trade Commission (FTC) from February 2009 to December 2010. In this position, he was responsible for ordering office supplies for FTC employees. In April 2009, Hughes began using FTC money to make unauthorized purchases. The vast majority of the unauthorized purchases were for electronics, including laptop computers, DVD players, and televisions. Hughes retained for personal use a small number of these electronics; most of them he sold for cash at a price below the retail price.

In the beginning of the scheme, Hughes arranged for the unauthorized items to be shipped directly from the vendor to FTC headquarters, and he used his proximity to the mailroom and his familiarity with its employees to avoid detection. Hughes removed some of the items from FTC headquarters himself but shipped other items via Federal Express using FTC funds. As the

scheme continued, Hughes arranged for items to be shipped directly to his residence in Virginia and to the residences of people to whom he had arranged to sell the items.

Before the FTC discovered the theft and removed Hughes from his position as supply clerk in December 2010, Hughes made unauthorized purchases from vendors totaling \$217,372.11, and he accrued \$1,264.10 in unauthorized shipping charges, causing a total loss to the FTC of \$218,636.21.

In announcing the sentence, U.S. Attorney Machen, Inspector General Seeba, and Director Patterson commended the investigative efforts of Chief Investigator Cynthia Hogue of the Federal Trade Commission, Office of the Inspector General and Special Agent Jeff Levine of the Federal Protective Service. They also praised the work of members of the United States Attorney's Office, including Paralegal Specialist Mary Treanor, Assistant U.S. Attorney Scott Sroka, who handled the asset forfeiture aspects of the case, and Assistant U.S. Attorney Bryan Seeley, who prosecuted the case.

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